REMARKS

Applicant thanks the Examiner for the courtesies extended to Applicant's representative during the interview on April 29, 2008. During that interview, the rejections contained in the Office Action mailed on April 15, 2008, were discussed. The substance of the interview is incorporated into this response.

In the Office Action,[1] the Examiner rejected claims 1-10 and 12-23 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2002/0065753 to Schloss et al. ("Schloss") in view of an article entitled "Bonds an Attractive Option, but Beware of Risks," by Terry Savage ("Savage"); and rejected claim 11 under 35 U.S.C. § 103(a) as being unpatentable over Schloss in view of Savage, and further in view of the Examiner's "Official Notice."

Applicant notes that the Examiner previously issued a Restriction Requirement between Group I, claims 1-8 and 11-23; and Group II, claim 9. (Restriction mailed February 11, 2008). Applicant elected Group I on March 6, 2008. However, Applicant assumes the Examiner has withdrawn the Restriction because the Examiner has addressed all of claims 1-23 in the Office Action.

I. Objection To the Claims

In the Office Action, the Examiner objected to claims 1 and 10 for use of the term "of single trust." Applicant amends claims 1 and 10 to obviate the objection.

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[1] The Office Action contains a number of statements reflecting characterizations of certain art and claims. Regardless of whether any such statement is identified herein, Applicant declines to automatically subscribe to any statement or characterization in the Office Action.

II. Rejections Under 35 U.S.C. § 103(a)

Applicant respectfully traverses the rejection of claims 1-10 and 12-23 under 35 U.S.C. § 103(a) as being unpatentable over Schloss in view of Savage. A *prima facie* case of obviousness has not been established at least because the differences between the prior art and Applicant's claims are such that it would not have been obvious for one of ordinary skill in the art at the time of the invention to modify the prior art to arrive at Applicant's claimed invention.

Neither Schloss nor Savage, taken individually or in combination, teaches or suggests each and every element required by Applicant's claims. Claim 1 recites a method of processing financial information, including: receiving an indication, at a processor, that tax-exempt bonds are in a single trust; based on the single trust, establishing, at the processor, a senior class of securities, such that the senior class of securities includes a guarantee feature; based on the single trust, establishing, at the processor, a junior class of securities, such that the junior class of securities serves as collateral; and issuing the senior class of securities and the junior class of securities, such that the junior and senior classes of securities are backed by the assets of the single trust, (emphasis added).

Schloss generally discloses a "trust 148 may issue tranches of senior and subordinate securities." Schloss, paragraph 0076. However, Schloss does not teach or suggest storing "tax-exempt bonds" in a "single trust," as required by claim 1. Indeed, the Examiner acknowledges that "Schloss fails to teach that tax-exempt bonds are in a single trust and establishing-exempt securities." (Office Action at 3). Savage, although

generally disclosing the existence of "tax-exempt bonds," is similarly silent on storing "tax-exempt bonds" in a "single trust," as required by claim 1.

Further, neither Schloss nor Savage, taken individually or in combination, teaches or suggests a "senior class of securities [that] includes a guarantee feature," as required by claim 1. The Examiner indicated during the interview that Schloss's disclosure of different tranches including "senior and subordinate securities" constitutes a "guarantee." Applicant disagrees because the existence of a subordinate tranche does not guarantee payment to the senior tranche. A subordinate tranche merely reduces the risk that a senior tranche will not receive cash flow. Nothing in Schloss discloses a "guarantee" for senior securities where the "junior class of securities serves as collateral," as recited by claim 1. A "guarantee," as required by claim 1, cannot reasonably be interpreted as suggested by the Examiner and be consistent with the specification. (M.P.E.P. § 2111). Instead, claim 1 and Applicant's specification indicate that, in one exemplary embodiment, a guarantee may indicate when a "security issuer (or the trust) 1500 must pay . . . to the senior security and seek reimbursement for any payments from other sources." Applicant's Specification, paragraph 019 (emphasis added). Neither Schloss nor Savage, taken individually or in combination, teaches or suggests such a "guarantee feature," as recited by claim 1.

Because Schloss and Savage, taken individually or in combination, fail to teach or suggest each and every element required by claim 1, a *prima facie* case of obviousness has not been established for claim 1. Independent claims 2-10 and 21-23, although of different scope than claim 1, patentably distinguish from Schloss and Savage for at least the same reasons as claim 1. Claims 12-20 depend from

independent claim 10 and therefore patentably distinguish from Schloss and Savage for at least the reasons discussed above.

Moreover, amended independent claims 2 and 6 require a guarantee feature that "includes at least one of: a credit enhancement guarantee that guarantees income to the senior class of securities when the tax-exempt securities default, wherein the credit enhancement guarantee is made by an entity other than the single trust, and a liquidity guarantee that guarantees re-purchase of the senior class of securities." Neither Schloss nor Savage, taken individually or in combination, teaches or suggests at least this additional element of claims 2 and 6.

Further, amended independent claims 3 and 7 require a "junior class of securities [that] receives excess income including a spread between an interest rate paid to the senior class of securities and an interest rate received on the securities." Neither Schloss nor Savage, taken individually or in combination, teaches or suggests at least this additional element of claims 3 and 7.

And, amended independent claims 4 and 8 require "stopping income payment to the junior class until the single trust has been reimbursed for one or more payments made under a guarantee." Neither Schloss nor Savage, taken individually or in combination, teaches or suggests at least this additional element of claims 4 and 8.

Applicant therefore respectfully requests that the Examiner reconsider and withdraw the rejection of claims 1-10 and 12-23 under 35 U.S.C. § 103(a) as being unpatentable over Schloss in view of Savage.

Applicant respectfully traverses the rejection of claim 11 under 35 U.S.C. § 103(a) as being unpatentable over Schloss, in view of Savage, and further in view of

"Official Notice." Claim 11 depends from claim 10 and therefore includes all of the elements recited therein. The Examiner's "Official Notice" fails to cure the deficiencies of Schloss and Savage, discussed above. Accordingly, for at least the reasons discussed above with respect to clam 10, no *prima facie* case of obviousness has been established for claim 11. Applicant therefore respectfully requests that the Examiner withdraw the rejection of claim 11 under 35 U.S.C. § 103(a)as being unpatentable over Schloss, in view of Savage, and further in view of "Official Notice.".

In view of the foregoing, Applicant respectfully requests the timely allowance of the pending claims. Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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/Nathan A. Sloan/

Dated: July 15, 2008 By:_____

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